

## **Bypassing competitive bidding requirements for local governments using local vendors**

SB 733 by Ratliff (Farabee)

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DIGEST:	SB 733 would have allowed a local government located in a county with a population of 50,000 or less to buy items from a local vendor without going through competitive bidding if the vendor's price was equal to or less than the price at which the local government could have bought the item under certain state government purchasing programs. It would have defined a local vendor as a vendor who had a place of business located in a county in which any part of the local government seeking to purchase an item under the bill was located, or in a contiguous county.
GOVERNOR'S REASON FOR VETO:	<p>"The intent of Senate Bill No. 733 was to allow local governments in rural areas to purchase an item from a local vendor without following competitive purchasing procedures if the vendor's price is equal to or less than the price provided by the state. However, a technical flaw in the bill's language would have broadened the bill's scope to cover every county in the state except Dallas County. Under this bill, local governments throughout the state would be free to buy an item without following competitive purchasing procedures from every county in the state, except Dallas. Therefore, Dallas vendors would be held at a competitive disadvantage. While this exemption to competitive purchasing may be appropriate in a rural area where there are few vendors offering the same item, it could open the door for abuse of state purchasing requirements. With this veto message, I hope to discourage legislators from further attempts to bypass competitive bid requirements."</p>
RESPONSE:	<p>Sen. Bill Ratliff, the bill's author, said: "I do not agree that the final version of SB 733 contains a technical flaw that applies the provisions of SB 733 to every county in the state except Dallas County. There are two aspects of the legislation: one specifies which local governments are eligible to use the purchasing option outlined in SB 733; the second defines 'local vendor.'"</p> <p>"Only a local government located in a county of 50,000 or less would have been able to utilize the purchasing option outlined in SB 733. According to the most recent federal census, there are 54 counties that exceed 50,000 population, and therefore those 54 counties would not have been able to use the purchasing option."</p> <p>Rep. David Farabee, the House sponsor, said he agreed with Sen. Ratliff's response.</p>
NOTES:	SB 733 passed the House on the Local, Consent, and Resolutions Calendar and was not analyzed in a <i>Daily Floor Report</i> .